

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1970 – HB 1909**

March 11, 2009

**SUMMARY OF BILL:** Creates an excise tax exemption for entities owned, wholly or in part, by a branch of the armed forces of the United States that derives 50 percent of its gross income from the operations of facilities located on property owned or leased by the federal government and are operated primarily for the benefit of members of the armed forces of the United States.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$247,000**

Assumptions:

- The current excise tax rate is 6.5 percent of net earnings.
- Based on information provided by the Department of Revenue, the total net earnings of entities that will become exempt from excise tax under this bill are estimated to be approximately \$3,800,000 per year.
- The decrease to state revenue is estimated to be \$247,000 per year ( $\$3,800,000 \times 6.5\% = \$247,000$ ).

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc

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